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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

DOCKETED

TOM FORESE - Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

SEP 17 2018

DOCKETED BY

In the matter of

DOCKET NO. S-21050A-18-0247

Wesleyan Investment Foundation, Inc., an
Indiana corporation;

DECISION NO. 76875

Respondent.

**ORDER TO CEASE AND DESIST, ORDER
FOR ADMINISTRATIVE PENALTIES, AND
CONSENT TO SAME
BY: WESLEYAN INVESTMENT
FOUNDATION, INC.**

Wesleyan Investment Foundation, Inc. (hereafter, "Respondent") elects to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order to Cease and Desist and Order for Administrative Penalties and Consent to Same ("Order"). Respondent admits the jurisdiction of the Arizona Corporation Commission ("Commission"), admits to the Findings of Fact and Conclusions of Law contained in this Order, and consents to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

1. Respondent is a non-profit corporation, incorporated in the state of Indiana, which on or around December 4, 2017, filed with the Commission an issuer dealer application under A.R.S. § 44-1941 and an application to register securities sold by itself under A.R.S. § 44-1891

1 (collectively, the "Application").

2 2. Respondent has not been registered with the Commission as a dealer at any time.

3 3. The securities offered by the Respondent have not been registered with the
4 Commission at any time.

5 4. Respondent's Offering Circular, dated November 1, 2017, states the following:

6 a. Respondent is offering for sale up to \$300,000,000 worth of deposit investments
7 ("Investments"), which are unsecured debt obligations of Respondent;

8 b. Respondent will use the Investments to finance loans made to churches or
9 church related organizations for "various capital purchases and building
10 programs, and to purchase land and buildings and provide funding for other
11 expenses and purchases undertaken or incurred by the churches or church related
12 organizations."

13 c. "The Investments are repaid upon demand by the investor. Money can be
14 invested in or redeemed from an Investment at any time in any increment."

15 d. The Investments have variable interest rates ranging from 1.50% to 2.50% per
16 annum.

17 5. On July 18, 2016, the Securities Division of Indiana, Respondent's home state,
18 issued an administrative subpoena to Respondent seeking documents related to Respondent's
19 securities and other information concerning Respondent. Prior to the subpoena, Respondent was
20 acting under the belief that its initial 2004 filing in its home state of Indiana was sufficient and that
21 in other states, its securities qualified for a self-executing exemption.

22 6. After being notified of Indiana's requirement to register Respondent's securities,
23 Respondent proceeded to register its securities in other states in which the securities did not qualify
24 for an exemption, including Arizona.

25 7. Respondent has settled and filed an exemption notice and/or registered its securities
26 in thirteen of the states in which the securities did not qualify for a self-executing exemption,

1 including Indiana. Respondent's registration or request for exemption is still pending in seven
2 states, including Arizona.

3 8. In response to the Commission's inquiry regarding previous activity in Arizona,
4 Respondent reported that it previously offered and sold securities in Arizona prior to filing its
5 Application. For all relevant times, the securities were offered and sold by unregistered dealers and
6 salesmen.

7 9. Prior to submitting the Application, Respondent sold unregistered securities to 68
8 Arizona residents, resulting in current aggregate account balances of \$4,644,887.66, inclusive of
9 accrued interest.

10 10. Respondent has timely paid all investors their earned interest from the Investments.
11 The Commission has not received any complaints from Arizona residents with regards to the
12 Investments.

13 II.

14 CONCLUSIONS OF LAW

15 11. The Commission has jurisdiction over this matter pursuant to Article XV of the
16 Arizona Constitution and the Securities Act.

17 12. Respondent offered or sold securities within or from Arizona, within the meaning of
18 A.R.S. § 44-1801(15), 44-1801(21), and 44-1801(26).

19 13. Respondent violated A.R.S. § 44-1841 by offering or selling securities that were
20 neither registered nor exempt from registration in Arizona.

21 14. Respondent violated A.R.S. § 44-1842 by offering or selling securities while neither
22 registered as dealers or salesmen nor exempt from registration.

23 15. Respondent's conduct is grounds for a cease and desist order pursuant to A.R.S. §
24 44-2032.

25 16. Respondent's conduct is grounds for administrative penalties under A.R.S. § 44-
26 2036.

III.
ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondent's consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent, and any of its agents, employees, successors and assigns, permanently cease and desist from violating the Arizona Securities Act.

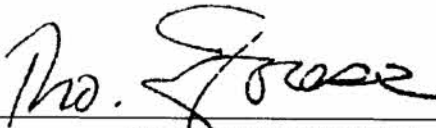
IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry of Order.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent pay an administrative penalty in the amount of \$25,000 as a result of the conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by law.

IT IS FURTHER ORDERED, that if Respondent fails to comply with this order, the Commission may bring further legal proceedings against Respondent, including application to the superior court for an order of contempt.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION



CHAIRMAN FORESE



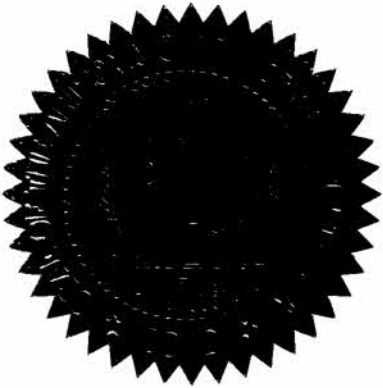
COMMISSIONER DUNN



COMMISSIONER TOBIN

COMMISSIONER OLSON

COMMISSIONER BURNS



IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Interim Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 17 day of September, 2018.

Matthew J. Neubert

MATTHEW J. NEUBERT
INTERIM EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator, voice phone number (602) 542-3931, e-mail kcannon@azcc.gov.

(JRB)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondent admits the jurisdiction of the Commission over the subject matter of this
3 proceeding. Respondent acknowledges that it has been fully advised of its right to a hearing to
4 present evidence and call witnesses and Respondent knowingly and voluntarily waives any and all
5 rights to a hearing before the Commission and all other rights otherwise available under Article 11
6 of the Securities Act and Title 14 of the Arizona Administrative Code. Respondent acknowledges
7 that this Order to Cease and Desist, Order for Administrative Penalties and Consent to Same
8 (“Order”) constitutes a valid final order of the Commission.

9 2. Respondent knowingly and voluntarily waives any right under Article 12 of the
10 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
11 resulting from the entry of this Order.

12 3. Respondent acknowledges and agrees that this Order is entered into freely and
13 voluntarily and that no promise was made or coercion used to induce such entry.

14 4. Respondent understands and acknowledges that it has a right to seek counsel
15 regarding this Order, and that it has had the opportunity to seek counsel prior to signing this Order.
16 Respondent acknowledges that it has retained Faegre Baker Daniels LLP to represent it in this
17 matter.

18 5. Respondent admits to the Findings of Fact and Conclusions of Law contained in this
19 Order. Respondent agrees that it shall not contest the validity of the Findings of Fact and
20 Conclusions of Law contained in this Order in any present or future proceeding in which the
21 Commission is a party.

22 6. Respondent agrees that in the event of a bankruptcy proceeding, pursuant to 11
23 U.S.C. § 523(a)(19), the following circumstances exist:

24 A. The obligations incurred as a result of this Order are a result of the conduct set forth
25 in the Findings of Fact and Conclusions of Law in the Order and are for the violation of Arizona
26 state securities laws, pursuant to 11 U.S.C. § 523(a)(19)(A)(i);

1 B. This Order constitutes a judgment, order, consent order, or decree entered in a state
2 proceeding pursuant to 11 U.S.C. § 523(a)(19)(B)(i), a settlement agreement entered into by
3 Respondent pursuant to 11 U.S.C. § 523(a)(19)(B)(ii), and a court order for damages, fine, penalty,
4 citation, restitution payment, disgorgement payment, attorney fee, cost or other payment owed by
5 Respondents pursuant to 11 U.S.C. § 523(a)(19)(B)(iii).

6 7. While this Order settles this administrative matter between Respondent and the
7 Commission, Respondent understands that this Order does not preclude the Commission from
8 instituting other administrative or civil proceedings based on violations that are not addressed by
9 this Order.

10 8. Respondent understands that this Order does not preclude the Commission from
11 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
12 that may be related to the matters addressed by this Order.

13 9. Respondent understands that this Order does not preclude any other agency or
14 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
15 proceedings that may be related to matters addressed by this Order.

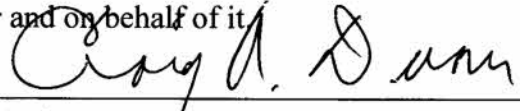
16 10. Respondent agrees that it will not exercise any control over any entity that offers or
17 sells securities or provides investment advisory services within or from Arizona until such time as
18 all penalties under this Order are paid in full.

19 11. Respondent consents to the entry of this Order and agrees to be fully bound by its
20 terms and conditions.

21 12. Respondent acknowledges and understands that if Respondent fails to comply with
22 the provisions of the order and this Consent, the Commission may bring further legal proceedings
23 against Respondent, including application to the superior court for an order of contempt.

24 13. Respondent understands that default shall render Respondent liable to the
25 Commission for its costs of collection, including reasonable attorneys' fees and interest at the
26 maximum legal rate.

1 14. Dr. Craig A. Dunn represents that he is the CEO of Respondent and has been
2 authorized by Respondent to enter into this Order for and on behalf of it



Dr. Craig A. Dunn, CEO
Wesleyan Investment Foundation, Inc.



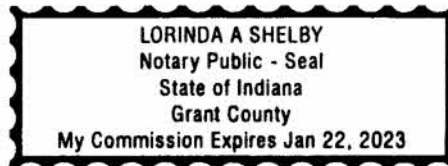
State of Indiana
County of Hamilton

9 SUBSCRIBED AND SWORN TO BEFORE me this 17th day of July, 2018.


NOTARY PUBLIC

My commission expires:

January 22, 2023



SERVICE LIST FOR: Wesleyan Investment Foundation, Inc.

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